

WORKFORCE SAFETY & INSURANCE
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2008

	September-08					August-08				July-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Allocation		Quarter	Month		Allocation		Month		Allocation		Month					
	Market Value	Actual				Policy	Net ROR			Net ROR	Market Value						
LARGE CAP DOMESTIC EQUITY																	
Structured Growth																	
Los Angeles Capital	16,312,480	1.4%	1.5%	-12.89%	-11.10%	18,222,844	1.5%	1.5%	-0.56%	18,477,487	1.5%	1.5%	-1.46%	-12.89%	-7.79%	7.68%	N/A
Total Structured Growth	16,312,480	1.4%	1.5%	-12.89%	-11.10%	18,222,844	1.5%	1.5%	-0.56%	18,477,487	1.5%	1.5%	-1.46%	-12.89%	-7.79%	7.68%	9.56%
Russell 1000 Growth				-12.33%	-11.58%				1.08%				-1.90%	-12.33%	-5.96%	5.91%	7.32%
Structured Value																	
LSV	15,412,605	1.3%	1.5%	-6.65%	-7.59%	16,560,077	1.3%	1.5%	1.61%	16,428,751	1.3%	1.5%	-0.59%	-6.65%	-21.43%	3.81%	11.57%
Russell 1000 Value				-6.11%	-7.35%				1.70%				-0.36%	-6.11%	-18.78%	3.53%	8.92%
Russell 1000 Enhanced Index																	
LA Capital	32,959,888	2.8%	2.9%	-9.52%	-8.33%	35,709,062	2.9%	2.9%	0.76%	35,733,594	2.9%	2.9%	-2.05%	-9.52%	-9.54%	6.97%	N/A
Russell 1000				-9.35%	-9.53%				1.38%				-1.16%	-9.35%	-12.36%	4.81%	N/A
S&P 500 Enhanced Index																	
Westridge	33,955,523	2.9%	2.9%	-8.06%	-8.80%	36,969,994	3.0%	2.9%	1.55%	36,701,140	3.0%	2.9%	-0.74%	-8.06%	-12.18%	4.98%	N/A
S&P 500				-8.37%	-8.91%				1.45%				-0.84%	-8.37%	-13.12%	4.41%	N/A
Index																	
State Street	10,651,277			-11.64%	-10.88%	11,874,763			0.31%	11,935,569			-1.16%	-11.64%	-18.24%	2.93%	6.64%
Total 130/30	10,651,277	0.9%	1.0%	-11.64%	-10.88%	11,874,763	1.0%	1.0%	0.31%	11,935,569	1.0%	1.0%	-1.16%	-11.64%	-18.24%	2.93%	6.64%
S&P 500				-8.37%	-8.91%				1.45%				-0.84%	-8.37%	-13.12%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	109,291,772	9.3%	9.8%	-9.42%	-9.05%	119,336,740	9.6%	9.8%	0.87%	119,276,541	9.6%	9.8%	-1.27%	-9.42%	-12.71%	5.68%	9.31%
S&P 500				-8.37%	-8.91%				1.45%				-0.84%	-8.37%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY																	
Manager-of-Managers																	
SEI	17,967,071	1.5%	1.6%	-6.64%	-9.81%	19,741,381	1.6%	1.6%	2.49%	19,413,973	1.6%	1.6%	1.00%	-6.64%	-20.93%	2.06%	9.10%
Russell 2000 + 200bp				-0.61%	-7.80%				3.78%				3.87%	-0.61%	-14.48%	5.88%	12.50%
Enhanced																	
Research Affiliates	19,401,859	1.7%	1.6%	-2.34%	-8.27%	20,958,266	1.7%	1.6%	3.44%	20,372,050	1.6%	1.6%	2.93%	-2.34%	N/A	N/A	N/A
Russell 2000				-1.11%	-7.97%				3.61%				3.70%	-1.11%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	37,368,929	3.2%	3.3%	-4.46%	-9.02%	40,699,646	3.3%	3.3%	2.98%	39,786,023	3.2%	3.3%	1.97%	-4.46%	-21.14%	1.97%	9.04%
Russell 2000				-1.11%	-7.97%				3.61%				3.70%	-1.11%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY																	
Large Cap - Active																	
Capital Guardian	30,311,680	2.6%	3.2%	-19.12%	-12.53%	34,506,825	2.8%	3.2%	-3.68%	36,064,679	2.9%	3.2%	-3.99%	-19.12%	-12.37%	12.24%	14.35%
LSV	30,031,947	2.6%	3.2%	-17.02%	-13.97%	34,756,708	2.8%	3.2%	-1.05%	35,330,137	2.9%	3.2%	-2.51%	-17.02%	-25.78%	7.37%	N/A
Total Large Cap - Active	60,343,628	5.1%	6.4%	-18.09%	-13.26%	69,263,533	5.6%	6.4%	-2.38%	71,394,815	5.8%	6.4%	-3.27%	-18.09%	-19.29%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-16.79%	-13.15%				-1.59%				-2.64%	-16.79%	-15.14%	10.93%	14.67%
Small Cap - Value																	
DFA	6,932,776	0.6%	0.8%	-20.83%	-14.39%	8,067,736	0.6%	0.8%	-3.22%	8,388,692	0.7%	0.8%	-4.44%	-20.83%	N/A	N/A	N/A
Total Small Cap Value	6,932,776	0.6%	0.8%	-20.83%	-14.39%	8,067,736	0.6%	0.8%	-3.22%	8,388,692	0.7%	0.8%	-4.44%	-20.83%	-12.74%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-23.50%	-15.50%				-5.40%				-4.30%	-23.50%	-25.49%	7.39%	17.33%
Small Cap - Growth																	
Vanguard	6,650,880	0.6%	0.8%	-25.01%	-15.49%	7,834,815	0.6%	0.8%	-5.82%	8,160,450	0.7%	0.8%	-5.78%	-25.01%	-17.52%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-23.50%	-15.50%				-5.40%				-4.30%	-23.50%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	73,927,284	6.3%	8.0%	-19.01%	-13.57%	85,166,083	6.9%	8.0%	-2.78%	87,943,957	7.1%	8.0%	-3.61%	-19.01%	-18.83%	9.79%	14.56%
MSCI EAFE - 50% Hedged				-16.79%	-13.15%				-1.59%				-2.64%	-16.79%	-15.14%	10.93%	14.67%

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	September-08					August-08				July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation		Quarter	Month	Market Value	Allocation		Month	Market Value	Allocation		Month	Net	Net	6/30/2008	5 Years Ended 6/30/2008
		Actual	Policy	Net ROR	Net ROR		Actual	Policy	Net ROR		Actual	Policy	Net ROR				
DOMESTIC FIXED INCOME																	
Core Bond																	
Western Asset	169,281,583	14.4%	14.0%	-5.05%	-4.25%	176,246,537	14.2%	14.1%	1.06%	174,384,838	14.1%	14.1%	-1.88%	-5.05%	2.06%	2.76%	3.55%
Lehman Aggregate				-0.49%	-1.34%				0.95%				-0.08%	-0.49%	7.12%	4.09%	3.86%
Mortgage Backed																	
Hyperion	32,578,676	2.8%	4.0%	-21.09%	-4.24%	33,904,395	2.7%	4.0%	-11.40%	38,231,179	3.1%	4.0%	-6.99%	-21.09%	-20.24%	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-1.46%	-0.95%				-0.46%				-0.06%	-1.46%	10.14%		
Core Plus/Enhanced																	
Clifton Group	51,561,237	4.4%	4.0%	0.43%	-1.30%	52,027,949	4.2%	4.0%	1.24%	51,316,972	4.1%	4.0%	0.52%	0.43%	10.17%	N/A	N/A
Prudential	50,241,140	4.3%	4.0%	-1.35%	-2.03%	51,589,003	4.2%	4.0%	0.86%	51,158,656	4.1%	4.0%	-0.15%	-1.35%	4.89%	N/A	N/A
Total Core Plus/Enhanced	101,802,377	8.7%	8.0%	-0.46%	-1.67%	103,616,953	8.3%	8.0%	1.05%	102,475,628	8.3%	8.0%	0.18%	-0.46%	7.55%	N/A	N/A
Lehman Aggregate				-0.49%	-1.34%				0.95%				-0.08%	-0.49%	7.12%		
Index																	
Bank of ND	88,764,527	7.6%	7.0%	-1.24%	-2.36%	90,619,886	7.3%	7.0%	1.06%	89,618,727	7.2%	7.0%	0.07%	-1.24%	7.68%	3.93%	3.28%
Bank of ND CD'S	35,992,101	3.1%	3.1%	1.25%	0.41%	35,846,616	2.9%	2.9%	0.42%	35,696,281	2.9%	2.9%	0.42%	1.25%	4.63%	N/A	N/A
Total Index	124,756,628	10.6%	10.1%	-0.53%	-1.57%	126,466,502	10.2%	9.9%	0.88%	125,315,007	10.1%	9.9%	0.17%	-0.53%	6.80%	3.80%	3.14%
Lehman Gov/Credit (1)				-1.64%	-2.53%				0.92%				0.00%	-1.64%	7.24%	3.84%	3.24%
BBB Average Quality																	
Wells Capital (formerly Strong)	173,557,950	14.8%	14.0%	-3.67%	-3.96%	180,148,212	14.5%	14.1%	0.81%	178,693,646	14.4%	14.1%	-0.51%	-3.67%	3.55%	3.04%	3.85%
Lehman US Credit BAA				-4.85%	-4.97%				0.80%				-0.67%	-4.85%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	601,977,213	51.2%	50.0%	-4.05%	-3.19%	620,382,598	49.9%	50.0%	0.18%	619,100,299	50.0%	50.0%	-1.07%	-4.05%	2.45%	2.71%	3.26%
Lehman Aggregate (2)				-0.49%	-1.34%				0.95%				-0.08%	-0.49%	7.12%	4.09%	3.73%
INFLATION PROTECTED ASSETS																	
Northern Trust Global Investments	133,284,176	11.3%	11.0%	-4.51%	-4.85%	144,067,668	11.6%	11.0%	0.81%	142,932,235	11.5%	11.0%	-0.45%	-4.51%	15.69%	5.79%	N/A
Western	129,905,535	11.1%	11.0%	-5.37%	-5.72%	141,856,456	11.4%	11.0%	1.10%	140,275,900	11.3%	11.0%	-0.71%	-5.37%	12.34%	4.42%	N/A
TOTAL INFLATION PROTECTED ASSETS	263,189,711	22.4%	22.0%	-4.94%	-5.28%	285,924,124	23.0%	22.0%	0.95%	283,208,135	22.9%	22.0%	-0.58%	-4.94%	14.00%	5.10%	N/A
LB US TIPS Index				-3.54%	-3.83%				0.82%				-0.51%	-3.54%	15.10%	5.62%	N/A
REAL ESTATE																	
JP Morgan	84,204,444	7.2%	6.0%	-0.41%	-0.15%	84,204,444	6.8%	6.0%	-0.12%	84,203,650	6.8%	6.0%	-0.15%	-0.41%	-0.77%	N/A	N/A
NCREIF Total Index				-0.17%	-0.06%				-0.06%				-0.06%	-0.17%	9.20%	14.82%	N/A
CASH EQUIVALENTS																	
Bank of ND	5,562,338	0.5%	1.0%	0.48%	0.14%	6,513,780	0.5%	1.0%	0.17%	5,843,786	0.5%	1.0%	0.17%	0.48%	3.43%	4.10%	3.38%
90 Day T-Bill				0.63%	0.30%				0.16%				0.18%	0.63%	3.63%	4.27%	3.18%
TOTAL WSI	1,175,521,692	100.0%	100.0%	-5.62%	-4.94%	1,242,227,416	100.0%	100.0%	0.28%	1,239,362,391	100.0%	100.0%	-1.00%	-5.62%	0.57%	4.70%	6.18%
POLICY TARGET BENCHMARK				-3.26%	-3.69%				0.78%				-0.33%	-3.26%	4.22%	5.78%	6.56%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.